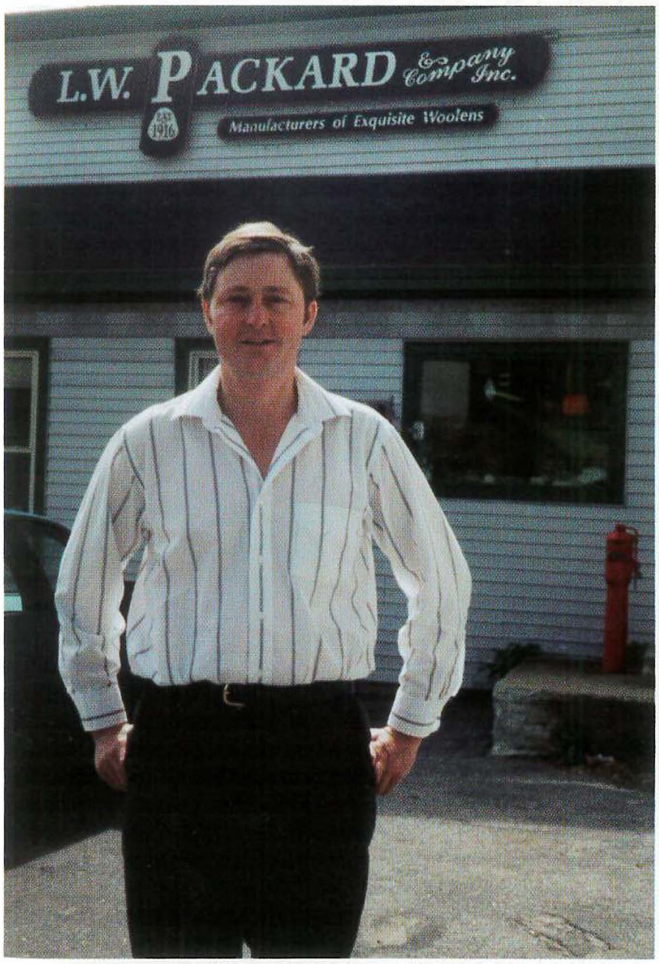
PROFILE IN PROGRESS

L.W. PACKARD: A QUIET LEADER IN LUXURY FABRICS

New Hampshire company forges prosperity with latest technology, loyalty to employees and constant search for new markets



John Glidden has been president of family-owned L.W. Packard since 1989. Luther Packard, an uncle of Glidden's grandfather, started the company in 1916.

Quaint Ashland, N.H., resembles an Edward Hopper painting rather than the location of one of the world's top textile manufacturing operations. Located in the heart of the state, the scenic small town of less than 2,000 lies just south of the White Mountains and northwest of Lake Winnipesaukee, two popular New England tourist destinations.

Most vacationers cruising along I-93 likely are unaware that some of the world's top luxury fabrics are made at Ashland's L.W. Packard & Co. Relatively anonymous until a few years ago, the company's recent success is starting to attract attention. Described by John L. Glidden, company president, as a "low-key, informal company"—one would be hard-pressed to find a necktie on the premises—L.W. Packard has quietly gone about the business of making top quality woolens for 80 years.

Many industry insiders consider L.W. Packard to be the most modern woolen mill in the U.S. and possibly the world. Says one observer, "Virtually everything they have is new. They're always innovative in adding new technologies." As a result, the company was included in TEXTILE WORLD's inaugural Top 10 textile mills in the world (Feb. '95, p. 37).

Mainly known for its high-quality fabrics for women's and men's winter coating, jackets and blazers, L.W. Packard also makes woolen blankets as a sideline. End products may be found at upscale retailers (Saks Fifth Avenue, Neiman Marcus, Bergdorf Goodman, Nordstrom) and catalog merchants (L.L. Bean, Land's End, Eddie Bauer).

Packard uses a powerful 1-2 punch to achieve its success: latest technology and a good management-

By John W. McCurry
Associate Editor

employee relationship. The company is also aggressive in exploring new niches: About four years ago Packard began a move to the high end of the market with expensive, rare fibers such as cashmere and camel hair. Since the change, sales climbed from $23-million in 1990 to $43-million in 1994.

"It has enabled us to not be where the majority of the market is," Glidden says. "Luxury fabrics are not as price sensitive and it takes a lot of money to compete in the market. We have bought more (cashmere) than our immediate needs when the price was good and it has really turned out well."

Before the emphasis on luxury fabrics, Glidden says the company was "being beat up continuously by the U.S. market and imports. We didn't like the margins we would be obligated to take if we stayed in the market. So, we looked at other products we could make with our manufacturing equipment and one classical way to improve margins is to move into higher value products."

Cashmere and its blends now account for more than half of sales. Of course, the company still produces high-end woolen fabrics, its bread and butter for most of its eight decades. "We'll stay in wool, but we're open minded about all fabrics," Glidden says.

Packard's success, Glidden says, results from putting profits back into the company in the form of technology and employee benefits, a trend started by Glidden's grandfather. For example, in 1994, employees received $759,000 in profit-sharing earnings. The company also provides 100% tuition reimbursement for employees. "We value our employees and we try to provide a superior working environment," says Dan Brown, human resources director. "If you treat people well, it pays off."

As a result, there is little employee turnover. The average age is 42 and two employees have received 50-yr plaques. No good deed goes unnoticed: One employee was recently recognized for finding and turning in $100 lost by a soft-drink vendor.

The good will continues after an employee leaves Packard. An employee who was laid off in November of 1994 due to a reorganization continued to receive tuition reimbursement for two college courses he took after leaving the company.

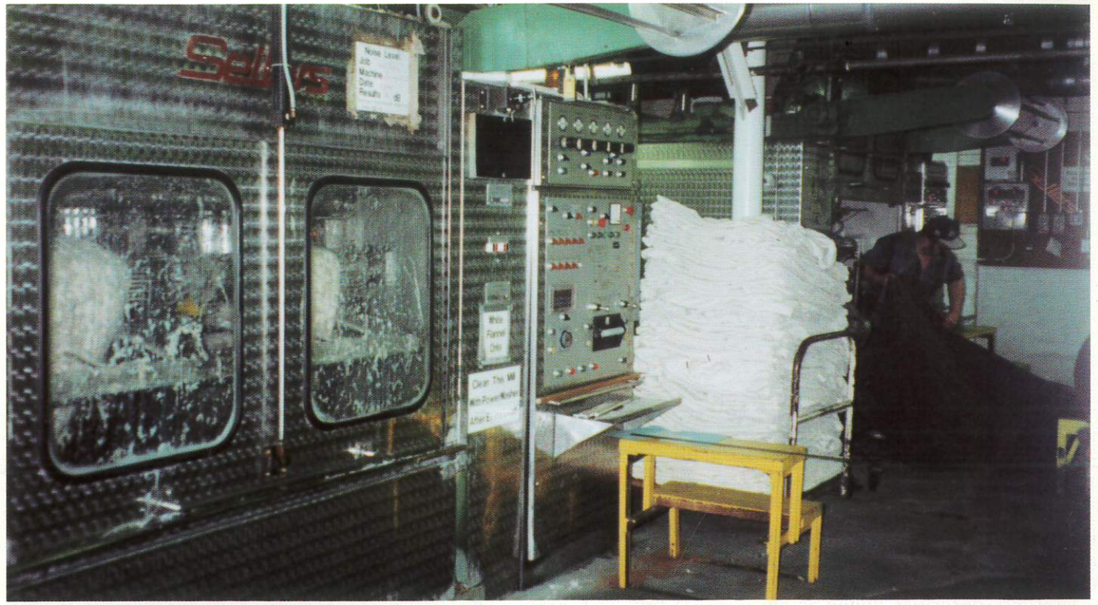
Management also cites the company's aggressive safety program, which has received recognition across New Hampshire and beyond, as a key to success. Sue Francesco, a company vice president who also wears the hats of safety director and environmental director, says Packard began emphasizing safety long before it became fashionable. "We go above and beyond OSHA requirements. We try to find accidents before they happen."

Safety meetings are held weekly and employees are rotated in for 2-month stints on the committee. Francesco says incentives are offered for turning in "near misses" of accidents. There has been a financial payoff also. Workers compensation costs, which were $400,000 in 1969, were less than $40,000 in 1995.

L.W. Packard has the only linked-coning system in the woolens industry. The system is a prime example of the company's effort to be the first to install latest technology.

Packard's history dates to 1840 when the Briggs brothers of Leeds, England, built a woolen mill on the Squam River—28 years before the town of Ashland was founded. Records indicate the mill ran sporadically until 1916 when Luther Packard, an uncle of Glidden's grandfather, bought the company. The company has remained in the family ever since. Glidden, 40, became president in 1989.

Lewis Crothers, plant manager, examines 100% angora fabric. A native of Scotland, Crothers has 37 years of industry experience.



Fulling, which combines heat, moisture and friction to achieve a denser, more compact fabric, is one of the most important processes in the woolens industry. Packard has a total of eight fulling mills.

Manufacture of top woolens requires a rare expertise and Packard has combed the globe in search of top technologists. While he has been in the U.S. for many years, Peter Pearson, vice president of manufacturing, is a fifth generation textile man from Huddersfield, Yorkshire, England. He joined Packard seven years ago. Another with textiles in his bloodline is Jim McEwen, vice president, finance, a fourth generation textiles man.

Another experienced woolens man is Lewis Crothers, plant manager, an Aberdeen, Scotland, native, who spent 32 years with J&J Crombie Co. in Scotland before joining Packard nearly five years ago. The company also recently added two key carding and finishing technicians from the United Kingdom.

Cashmere is used in every percentage from 10-90 wool blends to 100%. Fabric is made in both blazer and coating weights. Likewise for camel hair and angora. Packard is the only manufacturer of 100% angora woven fabrics.

Other fibers used include alpaca, mohair, silk, nylon and cotton.

All in all, Packard produces about 1,000 pieces of fabric a week during normal production periods. Most is made to order for customers and there is little inventory.

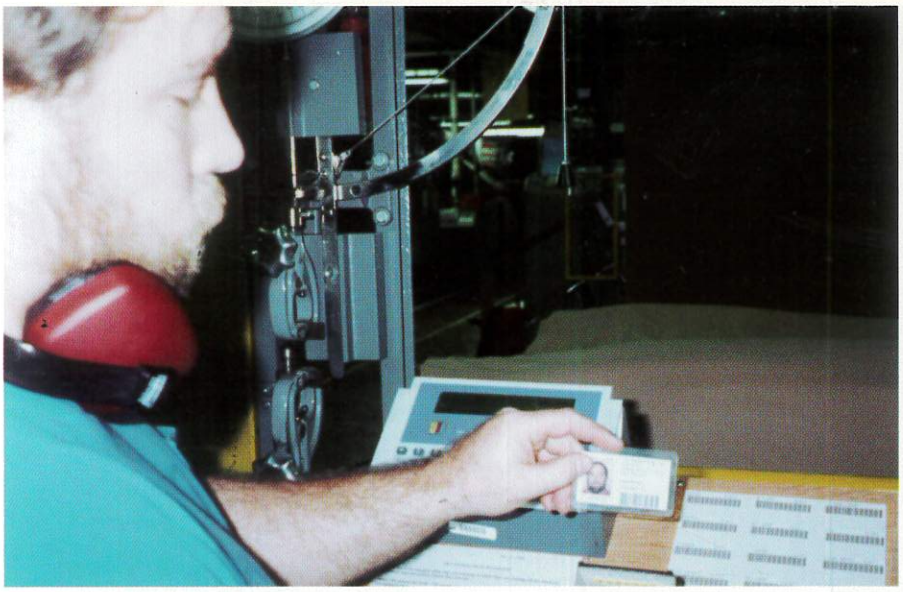
Cashmere, camel hair and angora come primarily from China; alpaca from Peru; wool, from Australia and the U.S. and mohair from the U.S.

"We want to extend our versatility," Crothers says. "We feel we become less vulnerable if we have a wider array of fabrics." All in all, Packard produces about 1,000 pieces of fabric a week during normal production periods. Most is made to order for customers and there is little inventory.

Manufacturing processes include blending, carding, spinning, rewinding, dressing, weaving, burling, carbonizing, pounding, tacking, fulling, dyeing, scutching, napping, wet brushing, drying, decating, shearing, sponging and perching.

More often than not, Packard is the first U.S. woolen mill to install latest equipment. An example is the linked-coning system. Ring-spinning machines (Gaudino, U.S. rep: Dawson) which can operate at spindle speeds up to 9,000 rpm are equipped with automatic doffing and loading linked to winders (Autoconer 238 Schlafhorst). The system includes the latest yarn clearers (Loepfe; U.S. rep: Symtech).

Packard operates three blending lines (Stummer, Pneumatic Conveyors and Cosmatex). Carding consists of new (three 3.5-m Octir; U.S. rep. Dawson) and older (10 72-in., Whitin) machines. Warping, or dressing, is done on two high-speed



A Packard employee demonstrates the use of ID cards. Computers and bar codes have made punch clocks and time cards obsolete.

machines (Hacoba). Weaving is accomplished on 32 machines (Sulzer Ruti).

Crothers describes fulling as an "age-old art" combining heat, moisture and friction to achieve a denser, more compact fabric. In the process, 100 yd of fabric shrink to 80 yd in about two hours. Packard has six modern fulling mills (Sellers) with capacities of eight pieces plus two older models (James Hunter).

Environmentally conscious, Packard developed in-house a complete pre-scouring operation to be used just before carbonization. Prescouring removes about 75% of the oil normally removed in the fulling mill. It also saves detergent and reduces emissions produced in carbonizing. "We adapted this equipment for our particular use," Crothers said. "It was never designed to do that."

Dyeing (all Morton) consists of seven atmospheric machines, one pressure vessel and a sample machine. A typical dye cycle is 2.5 hours. Other finishing equipment includes a continuous decator (Fite; U.S. rep: Kennco), a sponging range (KD) and the latest wet brushing (TMT; U.S. rep: Craven International).

About two years ago Packard installed an automated data collection system (UBI). The system features data collection PCs and barcode readers which track work orders through 17 processes from raw materials to finished goods. The system has greatly improved Packard's Quick Response. The system also tracks employee time and attendance. Employees insert barcoded ID cards into small computers, making punchclocks and timecards obsolete.

Every piece of fabric in Packard's vast repertoire, currently about 240 styles, is logged in the computer. The system is of particular importance to fulling, which requires precise information and repeatiblity.

"If it can be made, we'll have a go at making it," Crothers says. "We cannot sit around and wait for the market to come to us."

"Two years ago, our operators had notebooks with calculations for fulling," Crothers says. "Today, it's all on the computer. The operator punches in the piece number and the computer will calculate the shrinkage percentage based on the loom ounces, the fabric style and the shade it is to be dyed. At the same time the volume of fulling medium is calculated based on weight of fabric and number of pieces per batch.

"This of course does not prohibit the operator from being involved, on the contrary, they like the system and they constantly push for the computer to do more of the objective work and leave them more time to devote to the skilled aspects of fulling cloth. We are fortunate to have a workforce who believes in change and welcomes the computer's input. In fact, many of our programs were made because of requests by employees to help them do their job more effectively."

What innovations will Packard install next? Without revealing specifics, company officials say they spent most of their time at ITMA last October looking at dye dispensing systems and napping and shearing developments.

Packard employs about 250 and operates three shifts, five days a week with occasional Saturday work. The company is Ashland's largest employer and many employees walk to work.

Plans are in the works for a new facility in nearby New Hampton. The first phase will be a warehouse and room is available for expansion of manufacturing operations. Glidden says a department or two may eventually be moved to New Hampton, leaving room for growth to improve flow and efficiency at the 300,000-sq ft Ashland complex.

Exports account for about 7% of sales and are expected to grow. Asia, especially Japan, is a major trading partner.

Always trying to stay ahead of the market, Packard's technical wizards are constantly working on new products and blends. "If it can be made, we'll have a go at making it," Crothers says. "We cannot sit around and wait for the market to come to us."

How will the company continue to be successful in times of sluggish retail markets and foreign competition? Replies Pearson, "We certainly have to preserve and improve our quality. I've seen some beautiful fabrics abroad, so we've got to be extremely conscious of quality." ❑